

Message Text

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E.O. 11652: N/A

TAGS: BENC, NI

SUBJECT: MAJOR PROJECT: CEMENT PLANT

1. LOCAL NEWSPAPER CARRIED ARTICLE AUGUST 9 STATING THAT GOVERNMENT OF BENDEL STATE HAS EARMARKED 60 MILLION NAIRA (DOLLARS 96 MILLION) FOR EXPANSION OF UKPILLA CEMENT FACTORY. PROJECT ALREADY UNDER WAY WITH COUTINHO CARO HAVING WON CONTRACT FOR EQUIPMENT SUPPLY AND CONSTRUCTION. ARTICLE MENTIONS THAT BENDEL STATES GOVERNMENT HAS TRANSFERRED 20 PERCENT OF EQUITY IN CEMENT FACTORY TO ADO IBRAHIM AND COMPANY IN RETURN FOR ACQUISITION OF COMPANY OWNED BY IBRAHIM WHICH HOLDS DEPOSITS CONTAINING ABOUT 14 MILLION TONS OF LIMESTONE. COUTINHO CARO HAS 10 PERCENT EQUITY SHARE, AND BENDEL STATE 70 PERCENT.

2. MR. ADO IBRAHIM, PRESIDENT OF ADO IBRAHIM AND COMPANY, TOLD EMBOFF HIS FIRM ALSO OWNS SUBSTANTIAL LIMESTONE DEPOSITS IN KWARA STATE AND WOULD LIKE TO CONSTRUCT A NEW CEMENT PLANT THERE WITH 250,000 TONS PER YEAR CAPACITY. VALUE ABOUT SAME AS BENDEL STATE EXPANSION. IBRAHIM SAID ONE ITALIAN FIRM IS INTERESTED, BUT HE HAS MADE NO COMMITMENTS YET AND WOULD BE VERY INTERESTED IN NEGOTIATING WITH U.S. CEMENT FIRM. IBRAHIM ENVISAGED EQUITY SPLIT APPROXIMATELY 40 PERCENT KWARA STATE GOVERNMENT, 40 PERCENT FOR HIS COMPANY, AND 20 PERCENT FOR FOREIGN FIRM. STATE GOVERNMENT MIGHT POSSIBLY TAKE 30 PERCENT AND FOREIGN FIRM 30 PERCENT.

3. ADO IBRAHIM IS AMBITIOUS YOUNG FIRM RUN BY NIGERIAN WITH HARVARD
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MBA. COMPANY HOLDINGS INCLUDE WAATECO, AGENT FOR USSR MADE CARS AND

TRACTORS. FIRM IS ALSO LOCAL AGENT FOR CROWN CENTRAL PETROLEUM COMPANY OF BALTIMORE, MARYLAND, WHICH HAS CONTRACT WITH NIGERIAN NATIONAL OIL COMPANY FOR PURCHASE OF 30,000 BARRELS PER DAY OF NIGERIAN CRUDE OIL. FIRM HAS RECENTLY GONE INTO PARTNERWSHIP WITH A U.S. CONSTRUCTION FIRM IN HOPES OF BIDDING ON VARIOUS ROAD-BUILDING AND HOUSING JOBS. ALTHOUGH IBRAHIM HIMSELF SEEMS WELL TRAINED AND COMPETENT, AND IS EXTREMELY WELL CONNECTED TO PROMINENT NORTHERN POLITICAL FAMILIES, HIS FIRM MAY BE STRETCHED A BIT THIN WITH ALL THESE ACTIVITIES. NEVERTHELESS, THIS IS TRUE OF MOST NIGERIAN ENTREPRENEURS, AND EMBASSY BELIEVES HIS COMPANY REPRESENTS ONE OF THE BETTER PRIVATE NIGERIAN CONTACTS FOR U.S. FIRMS INTERESTED IN INVESTING HERE. EMBASSY IS REQUESTING UPDATE OF EXISTING WTDR TO ACCURATELY REFLECT FIRM'S PRESENT BUSINESS AND FINANCIAL CAPACITY. FIRM ALSO HAS A U.S. OFFICE, ADO IBRAHIM INC., 32 BROADWAY, SUITE 1314, NEW YORK 10004, TELEPHONE 212-425-5915.

4. EMBASSY WOULD APPRECIATE MEPD CANVASSING APPRGPRIATE FIRMS IN U.S. CEMENT INDUSTRY TO DETERMINE ANY INTEREST THEY MIGHT HAVE IN HOLDING MORE DETAILED DISCUSSIONS OF THIS PROJECT WITH IBRAHIM. CAHIL

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